

**THE NATIONAL LOTTERY COMMUNITY FUND
BOARD**

**MEETING OF THE NATIONAL LOTTERY COMMUNITY FUND BOARD HELD ON
5th DECEMBER 2019
PLOUGH PLACE, LONDON**

MINUTES

PRESENT:

Tony Burton	Board Vice-Chair (acting Chair)
Emma Boggis	Board Member
Perdita Fraser	Board Member
Julie Harrison	Board Member
Elizabeth Passey	Board Member
Rachael Robathan	Board Member
Danielle Walker Palmour	Board Member
Adrian Webb	Board Member, Wales Chair

IN ATTENDANCE:

Dawn Austwick	Chief Executive
Emma Ackerman	Acting England Director
Elly De Decker	England Director (from 01.2020)
Kate Beggs	Director, NI
Neil Harris	People Director
Ben Harrison	Engagement Director
Ian Hughes	Finance Director
Matthew Green	Technology Director
Neil Ritch	Director, Scotland
John Rose	Director, Wales
Catherine Roberts	Head of Governance (minutes)
Tanya Castell OBE	
Joe Ritch	

1. CLOSED SESSION

- 1.1. The Board held a closed session ahead of the main business meeting with the Chief Executive in attendance.
- 1.2. It was agreed that Tony would chair the meeting and undertake Chair's duties until such time as formal notification of his appointment as Interim Chair was received from DCMS.
- 1.3. The Board **AGREED** that Rachael Robathan would step up as acting Vice-Chair until DCMS confirmed the interim Chair's appointment.
- 1.4. The Board also **AGREED** that Tony becomes Chair of the UK Funding Committee from their next meeting on 10th December.

Tony and Rachael left the room during the discussions relating to them.

2. INTRODUCTORY REMARKS

- 2.1. Tony welcomed all to the meeting and noted that it was Emma Ackerman's and Ben Harrison's last meeting. He thanked them for their valuable contribution.
- 2.2. Apologies were received from Natalie Campbell and Adrian Webb. The Chair also informed the Board that Gemma Bull would not be able to attend.
- 2.3. Perdita Fraser declared that she is a member of Changing The Chemistry as CEO Tanya Castell OBE was attending later as an external speaker. Perdita also disclosed that she introduced the Centre for Data Ethics and Innovation to Edinburgh University where she is a Board Member.
- 2.4. Emma Boggis declared that she has joined the English Institute of Sport's Board as a Non-Executive Director.
- 2.5. The minutes of the meeting held on 25th September 2019 Board(19)M03 were approved as an accurate record of the meeting.
- 2.6. The Action Log was reviewed and the Board looked forward to the discussion on private sector engagement early in 2020.
- 2.7. There were no other actions arising.

3. STRATEGIC OPERATING PLAN - P49

- 3.1. The Board were informed that the planning process had been led by Ian and Neil building on last year's plan. Funding had been brought to the fore in the draft Strategic Operating Plan. The focus from now would be to clarify and simplify the draft for final Board approval in March. In the meantime, the Board were invited to share their views and feedback.
- 3.2. It was felt that the Fund's ambitions on the environment should be even bolder and more impactful. The executive were looking at the current activity and initiatives and this would be threaded throughout the plan. The Board discussed possible ways in the future of elevating environmental impact in our processes.

ACTION: John Rose

- 3.3. There would be further reflection on bringing communities together and how this work can be operationalised in the very diverse environment we operate in.
- 3.4. The knowledge and learning report would be brought back to the Board in March. The Civil Society Strategy would also be discussed later in the year.

ACTION: Governance

4. DIGITAL UPDATE - P55

- 4.1. The Board reviewed the digital update at Board(19)P55. Over the last twelve months the Fund had improved its website, knowledge and data, and had successfully launched GMS. The Board extended their thanks to the Service Design team who had facilitated the design and implementation of the new grant making

system. Dawn would send messages to relevant colleagues and other activity would be planned to mark the excellent results achieved.

ACTION: Internal Comms

- 4.2. Through GMS more effective processes were in place, bringing consistency and improvements to front line work. There would be further reflection on how these new ways of working have impacted on staff working structures and the delivery of People in The Lead. A new system demo and a session with staff would be set up in 2020.

ACTION: Gemma Bull, Governance

- 4.3. The material shared internally would also be sent to the Board.

ACTION: Neil Harris

- 4.4. The Board noted that the Fund was engaging with other organisations using the same technology to ensure that we optimised benefits. It was highlighted that focus in the future should be on how digital tools are helping to empower communities and it was imperative that the Fund developed its expertise in that area to better support grant holders.

- 4.5. The Board were pleased to note the progress achieved since last year.

5. DELIVERING PEOPLE IN THE LEAD SCOTLAND - P52

- 5.1. The Board reviewed the annual Scotland portfolio update, and how the team had supported communities in Scotland to thrive.
- 5.2. The place-based approach to funding had continued to be consolidated and positive progress had been achieved through local working. Teams had a better understanding of local issues and priorities; they took a more holistic view when assessing applications making investment more impactful.
- 5.3. The customer base in Scotland was now broader with a move towards awarding medium-sized organisations and a shift in grant profile with fewer larger awards.
- 5.4. Neil Ritch outlined the three main themes that drive our funding in Scotland; the adoption of a place-based approach, listening to and learning from those affected by the issues that we fund and retaining a balance between local working and strategic decision-making. He highlighted the challenges that arise in those areas.
- 5.5. The Board stressed the importance of taking learnings across the portfolios and looking strategically at best practice and challenges. They were reminded that we work in thematic areas and are committed to move forward with thematic expert leads. An update would be shared with the Board in due course.

ACTION: Kate Beggs

- 5.6. The Board noted the continuing importance of additionality.

- 5.7. It was highlighted that the funding of community assets had stopped. There would be further reflection on where our funding can add value, consulting with other funders.

ACTION: Neil Ritch

6. BOARD DIVERSITY AND INCLUSION - P65

- 6.1. The Board welcomed the opportunity to explore their appetite for more diversity on non-executive structures. Joe Rich, Head of Youth Voice at the Fund and Tanya Castell, CEO at Changing The Chemistry, presented their perspective and experience to inform the discussions.
- 6.2. The Board recognised that more clarity is needed around our ambitions. The executive would work with a subset of the Board to bring next steps to Board in March. We would continue working with our sponsor department to support diversity in public appointments.

ACTION: Kate Beggs, Perdita Fraser, Emma Boggis

- 6.3. The Chair thanked Tanya and Joe for their contribution.

BUSINESS MEETING

7. CEO OVERVIEW - P39

- 7.1. The Board received an update from the Chief Executive. She reported that one of her reasons to be cheerful was the increase in revenues with a 38.6% rise in the total NLDF revenue in November. It was likely that we would exceed our income forecast for the year. Looking back on the year the name change had also been a great achievement.

8. ANNUAL ENVIRONMENTAL PERFORMANCE REPORT - P51

- 8.1. The Board received Board(19)P51 and discussed the Fund's environmental performance since December 2018. Positive progress was reported in the Fund's carbon footprint. However, travel emissions had continued to increase, more specifically emissions resulting from flights. Action was being taken to address the increase due to flights.
- 8.2. The Fund had launched a Climate Action Fund, with a £100m commitment to support communities across the UK to take local action. Our Bright Futures had grown stronger over the past year and it had been encouraging to see young people attending events in Westminster and the Welsh and Scottish governments.
- 8.3. The Board noted that the Fund's strategy was embedded into the 2020/21 Strategic Operating Plan in order to further our commitment to the environment. This included travelling well and using communication technology smartly, carefully balanced however against our need to be in communities to build trust and deliver People in the Lead.

- 8.4. The Board felt that the Fund needs to be assertive on the environment, and use the learnings from our successes across portfolios. They were reminded that whilst the first round of the Climate Action Fund would only support a small number of communities, subsequent rounds could fund more projects.
- 8.5. The Executive would work on a Fund-wide plan of action reflecting this greater ambition and would update the Board in due course.

ACTION: John Rose

9. CURRENT PERFORMANCE AND FINANCE

KPI Performance Report - P56

- 9.1. The Board noted the content of the Fund's performance report to 31 October 2019 at Board(19)P56. Five out of six KPIs showed a green rating. KPI6 had an amber rating due to the migration of data from FMS to GMS.

Financial Summary - P57

- 9.2. Ian pointed out that the income forecast reported in the paper was now out of date and should be at least £675m, materially above budget.
- 9.3. The Board thanked Ian for a well-presented summary.

Income Update - P58

- 9.4. The Board noted the current view of income, income projections and potential consequences for the Fund. The underlying revenue position from sales was broadly at the right level to meet the budget and so rollovers would drive any upside.
- 9.5. The 4th licence was raised and there would be further discussions in due course on how this could affect our forward look in the future.
- 9.6. The Board **APPROVED** the proposal at para 2.23 for the Fund to use its own revenue projection for budgeting purposes while closely monitoring future revenue.

Grant Award Allocations - P5

- 9.7. The Board noted the update on the grant award allocations and payment forecast for 2019/20. As we had moved towards the standard product, grant duration had decreased and this would be addressed.
- 9.8. Although it was too early to change at this point, if income continued to be positive we would be in a position to reconsider cash limits in the next four months and potentially bring some award budget forward into 2020/21.

Julie Harrison left the meeting.

10. THIRD PARTY FUNDING DECISION - P63 (CONFIDENTIAL ANNEX)

This information is restricted and can be found at Annex A.

11. AUDIT AND RISK

Minutes of ARC meeting held on 9th November 2019 - AR(19)M04

- 11.1. The Board noted the minutes of the ARC meeting held on 20th November 2019. Tony reported that the independent review conducted over 2019 had been helpful in confirming the strengths of the Committee and where they could do even better in the future. The Committee had discussed the outcomes and agreed an Action Plan which can be found in Annex A.

Risk Appetite

- 11.2. The Board discussed Board(SMT)P60 and how the Fund sets out its risk appetite against a set of key themes, with individual elements in each theme measured in Impact Scales. Tony reported that the Audit and Risk Committee had considered the methodology and outcomes and were content with the approach.
- 11.3. The Board were of the view that we should continue to make the most of opportunities. They were reassured that the risk appetite settings are not restrictive and do not prevent funding colleagues to consider more innovative or sensitive grants.
- 11.4. The Board **APPROVED** the approach and the appetite positions identified at Board(19)P60.

12. FORWARD LOOK - P61

- 12.1. The Board noted the proposed forward plan to September 2020. Some of the updates discussed in September would be included.

ACTION: Head of Governance

13. PORTFOLIO UPDATES - P62

- 13.1. The Board noted the UK, England, NI and Wales Portfolio Updates.

14. ANY OTHER BUSINESS

- 14.1. There being no other business, the meeting closed at 14:00.